CLASSIFICATION PHOTEST CENTRAL INTELLIGENCE AGENCY REPORT NO. INFORMATION REPORT CD NO. 25X1A DATE DISTR. 3 August 1951 COUNTRY China/Korea SUBJECT Opinion of Chinese Communist Official on Back-NO. OF PAGES ground of Cease-fire Proposal 25X1A NO. OF ENCLS. PLACE **ACQUIRED** 25X1 SUPPLEMENT TO DATE OF REPORT NO. INFO. NOT CIRCULATE this document convains information appecting the national depense of the universtates within the braning of the espionage act bg THIS IS UNEVALUATED INFORMATION THE FOLLOWING REPORT WAS PREVIOUSLY 25X1 The following information is the opinion of YUAN Jen-yuan

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vice-chairman of the Hunan Government,

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- a. The Chinese Communists did not intervene in Korea voluntarily, but at the persuasion of the Soviets. At the time the Chinese felt confident they could drive the United Nations into the sea in three to six months. They now see no gain and their losses in men and material has been greater than what was needed to liberate all of China between July 1947 and December 1949. There are signs of dissatisfaction among the Chinese leaders.
- b. When MacArthur invited the field commanders in Korea to talk peace the Chinese feared United Nations raids over Manchuria. They turned to the Soviets for air support to protect Manchuria and to assist combat operations. The Soviets promised planes but were unwilling to permit Soviet pilots or those of other nationalities except Chinese to fly them in combat with United Nations planes. The Chinese were unable to provide an adequate number of pilots for the new types of Soviet planes.
- c. The Chinese discussed these two points, realizing it was impossible to win without air support; meanwhile, the war appeared to be an endless drain on China. They concluded it was unwise to continue fighting before firmly establishing authority within China and securing China's national defense. They decided to work out a solution with Soviet concurrence.
- d. In late May a statement was made to the Soviets in the name of MAO Tse-tung and LIU Shao-ch'i, which pointed out that these views were from the majority of the Chinese Communists and stated that the Communists were able only to influence world revolution not begin world revolution. The following additional views were expressed:

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- Communist China, as a stabilizing factor, must continue to exist in Asia.
- (2) Japan is the only enemy of Communism in Asia,
- (3) Subjective and objective factors of world revolution are still immature, but a stable Communist China would be adequate to influence world revolution.
- (4) Considering that has been gained and lost in Korea the effect on Europe is very small indeed, although a part of the United Nations forces have been drawn to the Far Bast. Now Japan is being given a chance to rearm, and Taiwan now can prolong the Nationalist rule, consequently other anti-Communist forces in Asia are being given a chance to grow,
- (5) To retain the initiative and allow Communist China to grow strong, a proper solution to the Korean War must be found,
- c. Following this statement the Chinese and Soviets held several meetings before reaching a decision to seek a cease-fire agreement. Then North Korean concurrence was sought, after which Malik made the proposal.

25X1X 1. Comment. YUAN made it clear that Soviet Air Personnel in Manchuria

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Comment. YOAR also said the Soviets asked the Chinese to meet certain domands in return for the Soviets proposing a cease-fire, that the Chinese gave the Soviets accurances of their loyalty, that a member of the Chinese Communist Party went to the U.Sh in mid-June as a representative of the Chinese, and that [AO, with Soviet concurrence, suppressed a small number of pro-Soviet persons who favored continuation of the war.

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